

## Department of Transportation

### Summary

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DESCRIPTION	FY 2006 ACTUAL	FY 2007 ESTIMATE	FY 2008 JLBC
<b>PROGRAM BUDGET</b>			
Administration	42,778,400	43,892,900	43,878,800
Highways	266,270,500	287,553,000	294,937,900
Motor Vehicle	95,578,300	105,855,400	106,001,300
Aeronautics	2,056,200	2,188,800	2,589,600
<b>PROGRAM TOTAL</b>	<b>406,683,400</b>	<b>439,490,100</b>	<b>447,407,600</b>
<b>OPERATING BUDGET</b>			
<i>Full Time Equivalent Positions</i>	4,649.0	4,691.0	4,693.0
Personal Services	121,729,300	145,410,000	145,410,000
Employee Related Expenditures	44,831,500	61,188,700	61,305,100
Professional and Outside Services	5,781,200	3,825,500	3,325,500
Travel - In State	1,660,000	2,361,400	2,361,400
Travel - Out of State	177,400	179,300	179,300
Other Operating Expenditures	72,124,600	58,234,100	57,987,800
Equipment	13,816,900	5,672,500	6,765,400
<b>OPERATING SUBTOTAL</b>	<b>260,120,900</b>	<b>276,871,500</b>	<b>277,334,500</b>
Special Line Items (SLI)	146,562,500	162,618,600	170,073,100
<b>AGENCY TOTAL</b>	<b>406,683,400</b>	<b>439,490,100</b>	<b>447,407,600</b>
<b>FUND SOURCES</b>			
General Fund	76,300	82,900	82,900
<u>Other Appropriated Funds</u>			
Air Quality Fund	62,800	68,600	68,600
Driving Under the Influence Abatement Fund	309,400	136,800	136,900
Highway User Revenue Fund	383,200	607,300	607,400
Motor Vehicle Liability Insurance Enforcement Fund	1,233,900	4,029,000	2,383,900
Safety Enforcement and Transportation Infrastructure Fund	1,799,100	558,700	2,143,500
State Aviation Fund	2,056,200	2,188,800	2,589,600
State Highway Fund	364,715,100	391,757,100	399,339,100
Transportation Department Equipment Fund	34,839,100	38,526,800	38,534,200
Vehicle Inspection and Title Enforcement Fund	1,208,300	1,534,100	1,521,500
<b>SUBTOTAL - Other Appropriated Funds</b>	<b>406,607,100</b>	<b>439,407,200</b>	<b>447,324,700</b>
<b>SUBTOTAL - Appropriated Funds</b>	<b>406,683,400</b>	<b>439,490,100</b>	<b>447,407,600</b>
Other Non-Appropriated Funds	48,185,400	64,485,300	64,486,800
Federal Funds	5,613,700	6,311,600	6,865,100
<b>TOTAL - ALL SOURCES</b>	<b>460,482,500</b>	<b>510,287,000</b>	<b>518,759,500</b>

### CHANGE IN FUNDING SUMMARY

	FY 2007 to FY 2008 JLBC	
	\$ Change	% Change
General Fund	0	0.0%
Other Appropriated Funds	7,917,500	1.8%
Total Appropriated Funds	7,917,500	1.8%
Non Appropriated Funds	555,000	0.8%
Total - All Sources	8,472,500	1.7%

**AGENCY DESCRIPTION** — The Department of Transportation (DOT) has jurisdiction over state roads, state airports, and the registration of motor vehicles and aircraft.

# CHANGES FROM FY 2007

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		<b>FY 2008</b>
Standard Changes	OF	<b>\$(163,200)</b>
Highway Maintenance Workload	OF	<b>7,464,300</b>
Customer Service Equipment	OF	<b>789,500</b>
Grand Canyon Airport Equipment	OF	<b>253,000</b>
Grand Canyon Airport Vehicles	OF	<b>147,000</b>
Third Party Workload	OF	<b>97,400</b>
SETIF - MVLIE Funding Shift	OF	<b>0</b>
Fraudulent Document Staff Reclassification	OF	<b>0</b>
One-Time Costs	OF	<b>(670,500)</b>

**FORMAT** — Varies by Program

## OTHER ISSUES FOR LEGISLATIVE CONSIDERATION

### FTE Position Changes

The JLBC includes an increase of 2 FTE Positions from the State Highway Fund in FY 2008 for Motor Vehicle Division third party workload due to population growth.

### Highway User Revenue Fund (HURF) Distributions

Please see Capital Outlay section for this information.

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
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### Air Quality Fund (DTA2226/A.R.S. § 49-551)

**Appropriated**

**Source of Revenue:** An annual \$1.50 air quality fee collected for each vehicle at the time of registration. The Department of Transportation (ADOT) is appropriated monies from the Air Quality Fund in the Department of Environmental Quality.

**Purpose of Fund:** For tracking the availability and sales of oxygenated fuels to ensure that a sufficient supply is available for non-attainment areas of the state.

<b>Funds Expended</b>	62,800	68,600
<b>Year-End Fund Balance</b>	0	0

### Arizona Highways Magazine Fund (DTA2031/A.R.S. § 28-7315)

**Non-Appropriated**

**Source of Revenue:** Sales of subscriptions, maps, pamphlets, and other materials, and interest earnings. The fund can also consist of monies appropriated by the Legislature from the State Highway Fund, not to exceed \$500,000 annually. There are no current appropriations.

**Purpose of Fund:** For production and sales of subscriptions, maps, pamphlets, etc. Remaining balances in this revolving fund at the end of a fiscal year shall not revert to the State General or State Highway Fund and expenditures are exempt from statutory allotment provisions.

<b>Funds Expended</b>	7,713,600	7,717,000
<b>Year-End Fund Balance</b>	2,163,000	2,163,000

### Aviation Federal Funds (DTA2267/A.R.S. § 28-363)

**Non-Appropriated**

**Source of Revenue:** Federal grants.

**Purpose of Fund:** To develop Grand Canyon Airport, to update the State Aviation System Plan, and to conduct the FAA Airport Inspection program.

<b>Funds Expended</b>	2,417,000	2,036,800
<b>Year-End Fund Balance</b>	0	0

### Cash Deposits Fund (DTA2266/A.R.S. § 28-363)

**Non-Appropriated**

**Source of Revenue:** Deposits from individuals either bidding at auction on department property or renting department property.

**Purpose of Fund:** To hold deposits from individuals bidding on excess land and property for sale at auction, which are either applied against their purchase price or are returned to the individual if their bid is unsuccessful. Also, to hold deposits from individuals who rent department property. Their money is either refunded at the end of their tenancy or is used to offset repairs, if needed.

<b>Funds Expended</b>	59,100	50,000
<b>Year-End Fund Balance</b>	427,500	406,000

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Contract Counsel Fund (DTA4212/A.R.S. § 28-6925)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> An amount of \$30,000 was originally appropriated from the State Highway Fund to the Contract Counsel Fund. The Arizona Department of Administration replenishes expended monies from State Highway Fund monies appropriated for construction of state highways, as the Arizona Department of Transportation submits itemized statements detailing their expenditures from the Contract Counsel Fund. The appropriation is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Purpose of Fund:</b> To reimburse the Attorney General for attorneys' services for rights-of-way condemnation cases on federal aid projects.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>ADOT Donations Fund (DTA3080/A.R.S. § 28-818)</b>	<b>Partially-Appropriated</b>	
<b>Source of Revenue:</b> Federal funds, donations, monies from this state or any agency of this state for the Bicycle Safety Fund.		
<b>Purpose of Fund:</b> This fund includes 2 smaller funds, the Heavy Vehicle Equipment Licensing Information Fund and the Bicycle Safety Fund. A.R.S. § 28-818 establishes a Bicycle Safety Fund to plan, engineer, construct and maintain bicycle paths. Subject to legislative appropriation, monies may be used to match federal or local monies spent for these purposes or for safety programs. Monies contributed by a political subdivision, donations designated for use in a political subdivision, and matching monies for such contributions or donations must be used in the political subdivision. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Appropriated Funds Expended</b>	0	0
<b>Non-Appropriated Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Driving Under the Influence Abatement Fund (DTA3112/A.R.S. § 28-1304)</b>	<b>Appropriated</b>	
<b>Source of Revenue:</b> A fee of \$250 to be paid by every offender convicted of an extreme driving under the influence (DUI) offense. An extreme DUI violation is defined as a person possessing a blood alcohol concentration of 0.15 or greater.		
<b>Purpose of Fund:</b> To fund DUI-related programs. The Oversight Council on Driving or Operating Under the Influence Abatement distributes 25% of the revenues to fund pilot programs that use emerging technologies to educate, prevent or deter occurrences of driving under the influence, and at least 70% of the monies to fund subdivisions and tribal governments that apply for monies for enforcement purposes, prosecutorial and judicial activities and alcohol abuse treatment services related to preventing and abating driving or operating under the influence occurrences in a motor vehicle or a motorized watercraft. The Arizona Criminal Justice Commission staffs the Council. The Arizona Department of Transportation and Department of Public Safety receive grant funds from the Council. Not more than 5% of the monies are to be used for administrative purposes of the oversight council on driving or operating under the influence abatement or payment of the costs of notification.		
<b>Funds Expended</b>	309,400	136,800
<b>Year-End Fund Balance</b>	0	0
<b>Economic Strength Project Fund (DTA2244/A.R.S. § 28-7282)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> The fund receives \$1,000,000 each June 15 from the Highway User Revenue Fund and interest from investment of inactive balances.		
<b>Purpose of Fund:</b> For "economic strength" highway projects recommended by the Commerce and Economic Development Commission and approved by the State Transportation Board. These are projects that will retain or increase a significant number of jobs, lead to significant capital investment, or make a significant contribution to the economy of this state or within a local authority. Monies remaining in the Economic Strength Project Fund at the end of a fiscal year do not revert to the State General Fund. See the ADOT Capital Outlay Budget section for expenditures.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	4,171,200	4,221,200
<b>Federal Grants (DTA2097/A.R.S. § 28-363)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> Federal grants, other than aviation federal grants.		
<b>Purpose of Fund:</b> For federal highway construction and maintenance; assistance to elderly and handicapped; rural public transit; technical studies; rail planning and rehabilitation; other planning; highway statistical reporting; fatal accident reporting; safety; commercial driver's license; library updates; and fuel tax evasion.		
<b>Funds Expended</b>	3,196,700	4,274,800
<b>Year-End Fund Balance</b>	6,915,400	5,551,000

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Grand Canyon Airport Authority Operating (GCA2459/A.R.S. § 35-142)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Grand Canyon Airport user fees and charges. This fund was established by the General Accounting Office to account for airport user fees and charges collected by the Grand Canyon Airport Authority. The fund is inactive with the elimination of the Grand Canyon Airport Authority effective July 18, 2000 and reversion of the \$907,000 balance to the State Aviation Fund on July 1, 2002.		
<b>Purpose of Fund:</b> To pay for the Grand Canyon Airport Authority's operating budget.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Highway Expansion and Extension Loan Program Fund (DTA2417/A.R.S. § 28-7674)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund consists of monies appropriated by the Legislature; monies received from the federal government, state agencies, political subdivisions and Indian tribes; interest; and public or private gifts, grants or donations.		
<b>Purpose of Fund:</b> To create a state infrastructure bank under the Federal State Infrastructure Bank Act to provide financial assistance to political subdivisions, Indian tribes and state agencies for eligible transportation projects. The fund makes loans to ADOT, cities, and other entities to accelerate highway construction projects. The loans are repaid from future programmed funds for those projects. The fund may be used to pay costs to administer the fund and shall pay costs of an annual financial audit of the fund. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Funds Expended</b>	681,500	196,000
<b>Year-End Fund Balance</b>	0	0
<b>Highway User Revenue Fund (DTA3113/A.R.S. § 28-6533)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Transportation-related licenses, taxes, fees, penalties and interest such as the motor vehicle fuel tax, vehicle license tax, vehicle registration, driver's license, interest earnings, and others.		
<b>Purpose of Fund:</b> For various highway related purposes in the state, including distributions to the State Highway Fund which is the primary source for the department's operating budget, to the Department of Public Safety (DPS) for a portion of the highway patrol costs, to political subdivisions for highway purposes, and for capital highway construction projects.		
<b>Funds Expended</b>	383,200	607,300
<b>Year-End Fund Balance</b>	117,654,400	129,897,200
<b>Local Agency Deposits Fund (DTA3701/A.R.S. § 28-363)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> Monies received from local jurisdictions.		
<b>Purpose of Fund:</b> To pay for locally sponsored secondary road construction projects. Any money left after the project is closed out is returned to the local entity.		
<b>Funds Expended</b>	59,700	70,300
<b>Year-End Fund Balance</b>	10,177,000	11,281,300
<b>Maricopa Regional Area Road Fund (DTA2029/A.R.S. § 28-6302)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund consists of all transportation excise taxes collected pursuant to A.R.S. § 42-1482 and A.R.S. § 42-1482.01 that are designated for deposit in the Regional Area Road Fund in Maricopa County, plus proceeds from the sale of bonds, rents, and interest earnings.		
<b>Purpose of Fund:</b> For bond related expenses and for the design, purchase of right-of-way or construction of controlled access highways which are included in the county's regional transportation plan and accepted into the state highway system.		
<b>Funds Expended</b>	39,671,500	56,422,000
<b>Year-End Fund Balance</b>	246,210,600	224,918,300

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Motor Carrier Safety Revolving Fund (DTA2380/A.R.S. § 28-5203)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> The fund consists of monies appropriated by the Legislature; fines; forfeitures; fees and taxes deposited pursuant to A.R.S. Title 28, Chapter 14, "Motor Carrier Safety" which applies to all manufacturers, shippers, motor carriers and drivers who transport or cause the transportation of hazardous material, substances or waste; and monies received from private grants or donations.		
<b>Purpose of Fund:</b> To carry out the provisions of the chapter. DPS conducts investigations, the Motor Vehicle Division administers hearings, and the Attorney General enforces civil penalties. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	23,300	23,300
<b>Motor Vehicle Liability Insurance Enforcement Fund (DTA2285/A.R.S. § 28-4151)</b>	<b>Appropriated</b>	
<b>Source of Revenue:</b> Fees received by the department pursuant to A.R.S. Title 28, Chapter 9, Article 4 (mandatory motor vehicle insurance), such as fees to reinstate drivers' licenses and vehicle registrations canceled due to lack of insurance.		
<b>Purpose of Fund:</b> For the department to enforce mandatory motor vehicle liability insurance laws.		
<b>Funds Expended</b>	1,233,900	4,029,000
<b>Year-End Fund Balance</b>	10,226,500	8,198,700
<b>Arizona Professional Baseball Club Special Plate Fund (DTA2540/A.R.S. § 28-2426)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> A deposit of \$17 of each \$25 original and annual renewal Arizona professional baseball club special plate fee, and interest earnings. The remaining \$8 is deposited to the State Highway Fund for special plate administration.		
<b>Purpose of Fund:</b> To issue Arizona professional baseball club special plates, if an entity pays \$32,000 by December 31, 2006. The first \$32,000 received shall be reimbursed to the entity that paid the implementation fee to ADOT. Up to 10% of annual deposits may be used by ADOT to administer the fund. ADOT is to annually allocate fund monies, excluding administrative fees, through a private Arizona professional baseball organization's foundation that is qualified under section 501(c)(3) of the United States Internal Revenue Code for federal income tax purposes and that further allocates the monies to programs relating to youth education and development, housing for the homeless or low-income persons and health care for the indigent. ADOT had not yet established the fund as of November 27, 2006.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	0	0
<b>Rental Tax and Bond Deposit Fund (DTA3737/A.R.S. § 28-371)</b>	<b>Non-Appropriated</b>	
<b>Source of Revenue:</b> Cash deposits from motor carrier and use fuel taxpayers, and portions of rent that the department collects.		
<b>Purpose of Fund:</b> To hold cash deposits from motor carrier and use fuel taxpayers who choose to make cash deposits instead of providing surety bonds to guarantee their fee payments. Any money remaining in a taxpayer's account would be returned to the taxpayer. To hold the county property tax portion of rent on department properties, which is forwarded to the appropriate county tax office. Also, to hold the privilege tax portion of rent on the department's commercial properties, which is forwarded to the Department of Revenue.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	272,900	272,900
<b>Safety Enforcement and Transportation Infrastructure Fund (DTA2108/A.R.S. § 28-6547)</b>	<b>Appropriated</b>	
<b>Source of Revenue:</b> Fees for commercial vehicle permits collected at southern ports of entry on the border with Mexico and interest earnings. Monies in the fund are exempt from the provisions of A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Purpose of Fund:</b> To construct transportation facilities within 25 miles of the Arizona-Mexico border, improve vehicle congestion at Mexican border ports of entry, and obtain federal funds for Safety Enforcement and Transportation Infrastructure Fund (SETIF) purposes. Also to construct transportation facilities in the Canada to Mexico (CANAMEX) trucking and trade corridor, which came about as a result of the North American Free Trade Agreement (NAFTA) between Canada, the United States and Mexico. In addition, ADOT may provide SETIF monies to the Arizona-Mexico Commission, Arizona Department of Homeland Security, and Arizona International Development Authority for certain SETIF related purposes. Beginning in FY 2008, Laws 2006, Chapter 205, would have prohibited SETIF monies from being used for operating budget purposes. A JLBC proposed statutory change would repeal that prohibition.		
<b>Funds Expended</b>	1,799,100	558,700
<b>Year-End Fund Balance</b>	688,500	3,771,000

SUMMARY OF FUNDS	FY 2006 Actual	FY 2007 Estimate
<b>Shared Location and Advertising Agreements Expense Fund (DTA2414/A.R.S. § 28-409)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund consists of monies received from agreements with public and private entities for services located in department offices or to advertise those entities' goods and services.		
<b>Purpose of Fund:</b> To partially offset the department's cost of providing a location or advertising. The fund is exempt from A.R.S. § 35-190, relating to lapsing of appropriations.		
<b>Funds Expended</b>	0	30,000
<b>Year-End Fund Balance</b>	75,100	75,100
<b>State Aviation Fund (DTA2005/A.R.S. § 28-8202)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Flight property tax, aircraft registration fees, license taxes, fuel taxes, the sale of abandoned aircraft, receipts from airports operated by the department, and interest earnings.		
<b>Purpose of Fund:</b> For the administration of aviation laws, the operation and maintenance of state-owned airports, and capital projects at publicly-owned and operated airports of political subdivisions.		
<b>Funds Expended</b>	2,056,200	2,188,800
<b>Year-End Fund Balance</b>	24,031,400	16,434,100
<b>State Highway Fund (DTA2030/A.R.S. § 28-6991)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Monies distributed from the Highway User Revenue Fund, certain vehicle fees which are deposited directly to the State Highway Fund, interest earnings, appropriations by the Legislature, and donations. The year-end fund balance includes \$307 million which was appropriated to the Statewide Transportation Acceleration Needs Account (STAN) of the State Highway Fund in FY 2007.		
<b>Purpose of Fund:</b> For the department's operating budget, the acquisition of right-of-way, construction and maintenance of state highways and roads, and other highway related projects. Monies in the STAN Account are used to accelerate certain highway projects and are divided 60% for Maricopa County, 16% for Pima County and 24% for all other counties.		
<b>Funds Expended</b>	364,715,100	391,757,100
<b>Year-End Fund Balance</b>	277,413,100	523,813,900
<b>Transportation Department Equipment Fund (DTA2071/A.R.S. § 28-7006)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Equipment rental, sale at auction, insurance recoveries, donations, interest earnings, and monies appropriated by the Legislature (for purchase, repairs and maintenance).		
<b>Purpose of Fund:</b> For ownership, maintenance, service or repair of equipment and consumable material including administrative expenses.		
<b>Funds Expended</b>	34,839,100	38,526,800
<b>Year-End Fund Balance</b>	5,156,200	5,153,600
<b>Underground Storage Tank Revolving Fund (DTA3728/A.R.S. § 28-6008)</b>		<b>Non-Appropriated</b>
<b>Source of Revenue:</b> The fund consists of Underground Storage Tank taxes paid by persons liable for motor/aviation fuel taxes; or persons who refine, manufacture or produce compounds, blend or import diesel (liquid petroleum).		
<b>Purpose of Fund:</b> For department administrative expenses. Per subsections A and B of A.R.S. § 28-1599.45, "the director acts only as a collecting agent for the Director of the Department of Environmental Quality and assumes no responsibility for the underlying tax liability." The department retains only administrative costs as determined by an intergovernmental agreement between ADOT and the Department of Environmental Quality.		
<b>Funds Expended</b>	0	0
<b>Year-End Fund Balance</b>	257,300	327,300
<b>Vehicle Inspection and Title Enforcement Fund (DTA2272/A.R.S. § 28-1212)</b>		<b>Appropriated</b>
<b>Source of Revenue:</b> Fees of \$20 and \$50 for performing more detailed level 2 and level 3 inspections of vehicle identification numbers, before issuing restored salvage titles on repaired salvage and similar vehicles.		
<b>Purpose of Fund:</b> To defray the cost of investigations involving certificates of title, licensing fraud, registration enforcement and other enforcement related issues. A portion of the revenues are transferred to DPS for investigations concerning automobile theft.		
<b>Funds Expended</b>	1,208,300	1,534,100
<b>Year-End Fund Balance</b>	3,118,000	3,501,000